

**Senate Floor Statement on Stimulus Package by
Senate Budget Committee Chairman Kent Conrad (D-ND)
March 8, 2002**

Mr. President, I first want to acknowledge that this stimulus package is a dramatic improvement over what the House has sent us previously. Mr. President, I think that misses the larger point. It is interesting that in this morning's *New York Times*, the headline is, the Federal Reserve chief "Sees the Decline Over; House Passes Recovery Bill." It is the irony of ironies that once again Congress, in trying to provide fiscal stimulus, has acted too late. That is the history of Congress trying to use fiscal stimulus.

In fact, when we, in the Budget Committee, did an analysis, we find every single time we tried to do it, we have moved too late. In the *Washington Post* this morning, "Greenspan Declares an Expansion." It reports that economists are now largely agreed that in this quarter the economy will be growing at 4 percent. And here Congress comes with its recovery package, too late.

Mr. President, I have supported a recovery package. I did when we attempted to do one last year when it would have been timely. Unfortunately that did not occur. I would still support one if it was properly crafted, but I don't believe this legislation meets that test and here is why. CBO has just told us that over the next ten years, we are in deficit each and every year for the entire decade. And by big amounts.

Mr. President, they have just told us that we can expect \$2.3 trillion of non-trust fund deficits over the next decade. Every dime of this will be coming out of the Social Security trust fund. That means every dime of this stimulus package is coming out of the Social Security trust fund. Mr. President, we are headed for this future. The trust funds turn cash negative in 2016 and that changes everything.

Mr. President, when we examine the details of this package, the centerpiece of it is three years of bonus depreciation. I strongly supported bonus depreciation for one year, because every economist told us if you stretch it out, you are encouraging companies to wait – not to act now, but to wait. In fact, that is exactly what one sees in the economics of this package; \$39 billion of stimulus now, \$82 billion in the future.

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Mr. President, I want to say that Senator Baucus is absolutely right. There are some good provisions in this bill. Necessary provisions. That's what makes this vote so difficult. I must say, I have struggled with the question of how to vote. But again, Mr. President, the press reports this morning that the Chairman of the Federal Reserve says an expansion is now underway. It goes on to report, that many economists have concluded that the economy this quarter is growing at an annual rate of 4 percent. And now the House passes a recovery package. They are too late.

This is the history of recovery packages. Every time in our history we have tried to use fiscal stimulus we have been too late. And the centerpiece of this package is three years of bonus depreciation. Look, I'm a strong supporter of bonus depreciation. But not three years. That encourages people to wait. That makes no sense. Mr. President, this is digging the hole deeper, because every penny of it is coming out of the Social Security trust fund. Every penny. And we are already in a deep hole for the entire next decade. I yield whatever time remains on my time to Senator Carper.

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